

Certified Translation

EXHIBIT 1

Commonwealth of Puerto Rico
DEPARTMENT OF LABOR AND HUMAN RESOURCES
OFFICE OF THE SECRETARY

DEPARTMENT OF JUSTICE
LIBRARY

REGULATION OF THE SECRETARY OF LABOR AND HUMAN RESOURCES
OF PUERTO RICO FOR ESTABLISHING THE RULES TO BE FOLLOWED
WHEN APPROVING SETTLEMENTS OF CLAIMS MADE UNDER LAW 96 OF
JUNE 26, 1956, AMENDED, AND LAW 379 OF MAY 15, 1948, AMENDED;
DESIGNATE ATTORNEYS WHO CAN INTERVENE IN THE LATTER

ARTICLE 1 – Scope

The following rules for governing settlements of claims under Law No. 96, passed on June 26, 1956 (29 L.P.R.A., 245(a) et seq.) and under Law No. 379 of May 15, 1948 (29 L.P.R.A. 271 et seq.), according to how they have been subsequently amended, are hereby established. What is established herein shall be applicable to the settlement of all claims under the cited laws administered by the Department, by private attorneys or by the worker himself pro se. It shall not be applicable to cases submitted before any arbiter under the provisions of a collective bargaining agreement.

ARTICLE 2 – Power

This regulation is promulgated in accordance with the power granted by Article 13 of Law No. 379, passed on May 15, 1948, according to how the same

has been amended by Law No. 25, passed on April 26, 1968 (29 L.P.R.A., 282) and by Law No. 8 passed on May 10, 1982.

ARTICLE 3 – Definitions

a) Settlement is an agreement through which one or more claimants and/or their attorneys agree to accept a sum of money less than the basic sum being claimed, including the legal penalty when the judicial action has already been initiated under Law No. 379 (29 L.P.R.A., 271 et seq.) and/or Law No. 96 (29 L.P.R.A., 245 et seq.) both already cited.

b) Secretary is the Secretary of Labor and Human Resources.

c) Department is the Department of Labor and Human Resources of Puerto Rico.

ARTICLE 4 – Administrative Claims Up to Five Thousand (\$5,000.00)

Settlements of cases at the administrative level in which a basic sum not greater than Five Thousand (\$5,000.00) is being claimed, shall be approved by the attorneys of the Division of Legal Affairs. If the case is before the Work Rules Division, the latter shall draw up the necessary documentation with the recommendation of his director or his authorized representative and shall remit it with the case so that the designated attorney can approve the settlement.

The Director of the Legal Affairs Division and the Director of the Work Rules Division, Field Operations Supervisors and Area Administrators, may approve settlements of cases at the administrative level in which a basic sum, not in excess of One Thousand Dollars (\$1,000.00), is being claimed, without the intervention of the Secretary nor of the attorneys for the Legal Affairs Division.

ARTICLE 5 – Judicial Claims Up to Ten Thousand Dollars (\$10,000.00)

The attorneys of the Legal Affairs Division of the Department may approve settlements without the intervention of the Secretary in every case in which a sum not greater than Ten Thousand Dollars (\$10,000.00) is being judicially claimed, including the legal penalty.

ARTICLE 6 – Administrative Claims of More Than Five Thousand Dollars (\$5,000.00) and Judicial Claims of More Than Ten Thousand Dollars (\$10,000.00)

All settlements of cases in which a basic sum greater than Five Thousand Dollars (\$5,000.00) is being administratively claimed, or a sum greater than Ten Thousand Dollars (\$10,000.00) is being judicially claimed, including the legal penalty, must be approved by the Secretary. If it has to do with a case brought by this Department, and the settlement agreement is carried out in open court, the settlement shall not be definitive nor obligatory for either of the parties until the Secretary has given it his approval. Likewise, if the settlement agreement is carried out outside the court, the same shall not be definitive or obligatory until the Secretary has given it his approval.

ARTICLE 7 – General Provisions

a) The attorney or official of this Department that intervenes in the settlement of a case shall draft a report making a succinct list of the facts of the same; he shall indicate the basic sum and the total sum claimed, the sum for which the claim is being settled, and the legal and/or factual grounds that justify the settlement. The corresponding Motion to Dismiss Due to Settlement or Stipulation, which must be signed by the parties or their attorneys, if the

ARTICLE 8 – Effectiveness

those cases in which the special circumstances so require.

d) The Secretary of Labor may stray from the rules established herein in

Department of Labor and Human Resources.

that has jurisdiction over the case or before an authorized official of the

of due and payable installments shall be made to the Office of the Clerk of Court

latter does not comply with any of the agreed conditions. The periodic payments

(32 L.P.R.A. 1561), for the total sum claimed, including the penalty, in case the

against him, without a hearing, under Article 35 of the Code of Civil Procedure

through which the employer authorizes the Court to enter judgment by consent

plan to the employer, as a rule, the settlement agreement must contain a clause

Department, in which a lump sum payment is agreed that includes a payment

c) In those cases involving administrative or judicial claims filed by this

complainants before they are filed with the Court.

b) All settlements must be approved in writing by the complainant or

approval.

Settlement or Stipulation, shall be remitted to the Secretary of Labor for his

of the case, together with the attorney's report and the Motion to Dismiss Due to

excess of Ten Thousand Dollars (\$10,000.00) is being judicially claimed, the file

Dollars (\$5,000.00) is being administratively claimed, or when a total sum in

appropriate cases. In cases in which a basic sum greater than Five Thousand

employer or defendant is represented by an attorney, shall also be drafted in the

This Regulation shall become effective thirty (30) days after it is filed with

the Department of State of the Commonwealth of Puerto Rico.

The Administrative Order of September 11, 1979, concerning this matter,

and the Internal Regulations of the Secretary of Labor and Human Resources of
Puerto Rico, approved on October 5, 1981, concerning this same matter, are

hereby set aside.

Promulgated in San Juan, Puerto Rico, on November 21, 1983.

/s/

Héctor Hernández Soto

Secretary of Labor and

Human Resources

[Illegible seal]

Approved by the Governor of Puerto Rico.
On December 5, 1983.

/s/

Carlos Romero Barceló

Governor

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FREE OF FEES

United States District Court
For the District of Puerto Rico

— CERTIFIED —

To be a correct translation prepared by:

Annie Flores

Certified Court Interpreter
Administrative Office of the
United States Courts

No. 3060
Date: December 7, 1983 3:10 p.m.
Approved: Carlos S. Quiros
Secretary of State
/s/ Lourdes I. de Pierluisi
By: Assistant Secretary of State

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